

May 9, 2001

Peru Utilities
335 East Canal Street, P.O. Box 67
Peru, Indiana 46970

Re: Significant Source Modification No:
103-12946-00001

Dear Mr. Merriman:

Peru Utilities applied for a Part 70 operating permit on December 6, 1996 for water treatment and power production. An application to modify the source was received on November 10, 2000. Pursuant to 326 IAC 2-7-10.5 the following emission units are approved for construction at the source:

- (a) One (1) 1.99-MW diesel generator to be added to their existing facility for emergency standby service and peak shaving for the water treatment plant and service complex.
- (b) One (1) electrical No. 2 distillate fuel oil storage tank with a capacity of approximately 10,000 gallons.

The proposed Significant Source Modification approval will be incorporated into the pending Part 70 permit application pursuant to 326 IAC 2-7-10.5(l)(3). If there are no changes to the proposed construction of the emission units, the source may begin operating on the date that IDEM receives an affidavit of construction pursuant to 326 IAC 2-7-10.5(h). If there are any changes to the proposed construction the source can not operate until an Operation Permit Validation Letter is issued.

Pursuant to Contract No. A305-0-00-36, IDEM, OAQ has assigned the processing of this application to Eastern Research Group, Inc., (ERG). Therefore, questions should be directed to Eric Goehl, ERG, P.O. Box 2010, Morrisville, North Carolina 27560, or call (919) 468-7891 to speak directly to Mr. Goehl. Questions may also be directed to Duane Van Laningham at IDEM, OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or call (800) 451-6027, press 0 and ask for Duane Van Laningham, or extension 3-6878, or dial (317) 233-6878.

Sincerely,

Original Signed by Paul Dubenetzky
Paul Dubenetzky, Chief
Permits Branch
Office of Air Quality

ERG/EG

cc: File - Miami County
U.S. EPA, Region V
Miami County Health Department
Northern Regional Office
Air Compliance Section Inspector - Ryan Hillman
Compliance Data Section - Karen Nowak
Administrative and Development - Janet Mobley
Technical Support and Modeling - Michele Boner

PART 70 SIGNIFICANT SOURCE MODIFICATION OFFICE OF AIR QUALITY

**Peru Utilities
335 East Canal Street
Peru, Indiana 46970**

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the emission units described in Section A (Source Summary) of this permit.

This approval is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Source Modification No.: 103-12946-00001

Original Signed by Paul Dubenetzky
Issued by:
Paul Dubenetzky, Branch Chief
Office of Air Quality

Issuance Date: May 9, 2001

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SECTION A

SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

The Permittee owns and operates a stationary source for water treatment and power production.

Responsible Official:	Roger Merriman, General Manager
Source Address:	335 East Canal Street, Peru, Indiana 46970
Mailing Address:	335 East Canal Street, Peru, Indiana 46970
SIC Code:	4911
County Location:	Miami
County Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program, Major Source, under PSD; Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories

A.2 Emissions units and Pollution Control Equipment Summary

This stationary source is approved to construct and operate the following emissions units and pollution control devices:

- (a) One (1) 1.99-MW diesel generator to be added to their existing facility for emergency standby service and peak shaving for the water treatment plant and service complex.
- (b) One (1) No. 2 distillate fuel oil storage tank with a capacity of approximately 10,000 gallons.

A.3 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22);
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

SECTION B GENERAL CONSTRUCTION CONDITIONS

B.1 Definitions [326 IAC 2-7-1]

Terms in this approval shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, any applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

B.2 Effective Date of the Permit [IC13-15-5-3]

Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.

B.3 Revocation of Permits [326 IAC 2-1.1-9(5)] [326 IAC 2-7-10.5(i)]

Pursuant to 326 IAC 2-1.1-9(5)(Revocation of Permits), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

B.4 Significant Source Modification [326 IAC 2-7-10.5(h)]

This document shall also become the approval to operate pursuant to 326 IAC 2-7-10.5(h) when, prior to start of operation, the following requirements are met:

- (a) The attached affidavit of construction shall be submitted to the Office of Air Quality (OAQ), Permit Administration & Development Section, verifying that the emission units were constructed in conformance with the request for modification approval. The emissions units covered in the Significant Source Modification approval may begin operating on the date the affidavit of construction is postmarked or hand delivered to IDEM if constructed as proposed.
- (b) If actual construction of the emissions units differs from the construction proposed in the application, the source may not begin operation until the source modification has been revised pursuant to 326 IAC 2-7-11 or 326 IAC 2-7-12 and an Operation Permit Validation Letter is issued.
- (c) If construction is completed in phases; i.e., the entire construction is not done continuously, a separate affidavit must be submitted for each phase of construction. Any permit conditions associated with operation start up dates such as stack testing for New Source Performance Standards (NSPS) shall be applicable to each individual phase.
- (d) The Permittee shall receive an Operation Permit Validation Letter from the Chief of the Permit Administration & Development Section and attach it to this document.

However, in the event that the Title V application is being processed at the same time as this application, the following additional procedures shall be followed for obtaining the right to operate:

- (1) If the Title V draft permit has not gone on public notice, then the change/addition covered by the Significant Source Modification will be included in the Title V draft.
- (2) If the Title V permit has gone thru final EPA proposal and would be issued ahead of the Significant Source Modification, the Significant Source Modification will go thru a concurrent 45 day EPA review. Then the Significant Source Modification will be incorporated into the final Title V permit at the time of issuance.
- (3) If the Title V permit has not gone thru final EPA review and would be issued after the Significant Source Modification is issued, then the Modification would be added to the proposed Title V permit, and the Title V permit will issued after EPA review.

SECTION C GENERAL OPERATION CONDITIONS

C.1 Certification [326 IAC 2-7-4(f)][326 IAC 2-7-6(1)][326 IAC 2-7-5(3)(C)]

- (a) Where specifically designated by this approval or required by an applicable requirement, any application form, report, or compliance certification submitted under this approval shall contain certification by a responsible official of truth, accuracy, and completeness. This certification, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, on the attached Certification Form, with each submittal requiring certification.
- (c) A responsible official is defined at 326 IAC 2-7-1(34).

C.2 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days (this time frame is determined on a case by case basis but no more than ninety (90) days) after issuance of this permit, including the following information on each facility:
 - (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If, due to circumstances beyond the Permittee's control, the PMPs cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The PMP and the PMP extension notification do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall implement the PMPs as necessary to ensure that failure to implement a PMP does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or contributes to any violation. The PMP does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) Records of preventive maintenance shall be retained for a period of at least five (5) years. These records shall be kept at the source location for a minimum of three

(3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

C.3 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

(a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.

(b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application should be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).

(c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

C.4 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

(a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.5 Operation of Equipment [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule, or in this permit, all air pollution control equipment listed in this permit and used to comply with an applicable requirement shall be operated at all times that the emission units vented to the control equipment is in operation.

C.6 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) or twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted. The provisions of 326 IAC 1-7-2, 326 IAC 1-7-3(c) and (d), 326 IAC 1-7-4(d), (e), and (f), and 326 IAC 1-7-5(d) are not federally enforceable.

Testing Requirements [326 IAC 2-7-6(1)]

C.7 Performance Testing [326 IAC 3-6]

(a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any

applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

C.8 Compliance Monitoring [326 IAC 2-1.1-11]

Compliance with applicable requirements shall be documented as required by this permit. The Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. All monitoring and record keeping requirements not already legally required shall be implemented when operation begins.

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

C.9 Compliance Monitoring Plan - Failure to Take Response Steps [326 IAC 2-7-5][326 IAC 2-7-6]

- (a) The Permittee is required to implement a compliance monitoring plan to ensure that reasonable information is available to evaluate its continuous compliance with applicable requirements. The compliance monitoring plan can be either an entirely new document, consist in whole of information contained in other documents, or consist of a combination of new information and information contained in other documents. If the compliance monitoring plan incorporates by reference information contained in other documents, the Permittee shall identify as part of the compliance monitoring plan the documents in which the information is found. The elements of the compliance monitoring plan are:
 - (1) This condition;
 - (2) The Compliance Determination Requirements in Section D of this permit;
 - (3) The Compliance Monitoring Requirements in Section D of this permit;
 - (4) The Record Keeping and Reporting Requirements in Section C (General Record Keeping Requirements and General Reporting Requirements) and in Section D of this permit; and

- (5) A Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. CRP's shall be submitted to IDEM, OAQ upon request and shall be subject to review and approval by IDEM, OAQ. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee and maintained on site, and is comprised of:
 - (A) Reasonable response steps that may be implemented in the event that compliance related information indicates that a response step is needed pursuant to the requirements of Section D of this permit; and
 - (B) A time schedule for taking reasonable response steps including a schedule for devising additional response steps for situations that may not have been predicted.
- (b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition. Failure to take reasonable response steps may constitute a violation of the permit.
- (c) Upon investigation of a compliance monitoring excursion, the Permittee is excused from taking further response steps for any of the following reasons:
 - (1) A false reading occurs due to the malfunction of the monitoring equipment. This shall be an excuse from taking further response steps providing that prompt action was taken to correct the monitoring equipment.
 - (2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied.
 - (3) An automatic measurement was taken when the process was not operating.
 - (4) The process has already returned or is returning to operating within "normal" parameters and no response steps are required.
- (d) Records shall be kept of all instances in which the compliance related information was not met and of all response steps taken. In the event of an emergency, the provisions of 326 IAC 2-7-16 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.
- (e) All monitoring required in Section D shall be performed at all times the equipment is operating. If monitoring is required by Section D and the equipment is not operating, then the Permittee may record the fact that the equipment is not operating or perform the required monitoring.
- (f) At its discretion, IDEM may excuse the Permittee's failure to perform the monitoring and record keeping as required by Section D, if the Permittee provides adequate justification and documents that such failures do not exceed five percent (5%) of the operating time in any quarter. Temporary, unscheduled unavailability of qualified staff shall be considered a valid reason for failure to perform the monitoring or record keeping requirements in Section D.

**C.10 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]
[326 IAC 2-7-6]**

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The documents submitted pursuant to this condition do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

C.11 General Record Keeping Requirements [326 IAC 2-7-5(3)][326 IAC 2-7-6]

- (a) Records of all required data, reports and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.12 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other

means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

- (d) Unless otherwise specified in this permit, any quarterly report required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. The report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. Reporting periods are based on calendar years.

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]:

- (a) One (1) 1.99-MW diesel generator to be added to their existing facility for emergency standby service and peak shaving for the water treatment plant and service complex.
- (b) One (1) electrical No. 2 distillate fuel oil storage tank with a capacity of approximately 10,000 gallons.

(The information describing the process contained in this facility description box is descriptive only and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 PSD Minor Limit [326 IAC 2-2] [40 CFR 52.21]

This diesel generator shall use less than 228,380 gallons of diesel per 12 consecutive month period rolled on a monthly basis. This usage limit is required to limit the potential to emit of NO_x to less than 40 tons per 12 consecutive month period. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 not applicable.

D.1.2 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities.

Compliance Determination Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

D.1.3 Visible Emissions Notations

- (a) Visible emission notations of the exhaust from facilities listed in the description section exhaust shall be performed once per shift during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.
- (b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.
- (c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.
- (d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.
- (e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed.

Record Keeping and Reporting Requirement [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.1.4 Record Keeping Requirements

- (a) To document compliance with Condition D.1.1, the Permittee shall maintain monthly records of diesel fuel usage.

- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.5 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.1.1 shall be submitted to the addresses listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

**PART 70 SOURCE MODIFICATION
CERTIFICATION**

Source Name: Peru Utilities
Source Address: 335 East Canal Street, Peru, Indiana 46970
Mailing Address: 335 East Canal Street, Peru, Indiana 46970
Source Modification No.: 103-12946-00001

This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this approval.

Please check what document is being certified:

- 9 Test Result (specify) _____
- 9 Report (specify) _____
- 9 Notification (specify) _____
- 9 Other (specify) _____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Source Modification Quarterly Report

Source Name: Peru Utilities
Source Address: 335 East Canal Street, Peru, Indiana 46970
Mailing Address: 335 East Canal Street, Peru, Indiana 46970
Source Modification No.: 103-12946-00001
Facility: Diesel Generator
Parameter: Fuel Usage
Limit: 228,380 gallons per 12 consecutive month period

YEAR: _____

Month	Fuel Usage (gallons)	Fuel Usage (Gallons)
	This Month	Last 12 Month Total
Month 1		
Month 2		
Month 3		

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____
Title/Position: _____
Signature: _____
Date: _____
Phone: _____

Attach a signed certification to complete this report.

Mail to: Permit Administration & Development Section
Office of Air Quality
100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015

Peru Utilities
335 East Canal Street, P.O. Box 67
Peru, Indiana 46970

Affidavit of Construction

I, _____, being duly sworn upon my oath, depose and say:
(Name of the Authorized Representative)

1. I live in _____ County, Indiana and being of sound mind and over twenty-one (21) years of age, I am competent to give this affidavit.
2. I hold the position of _____ for _____.
(Title) (Company Name)
3. By virtue of my position with _____, I have personal
(Company Name)
knowledge of the representations contained in this affidavit and am authorized to make
these representations on behalf of _____.
(Company Name)
4. I hereby certify that Peru Utilities, 335 East Canal Street, Peru, Indiana 46970, has constructed one diesel generator and storage tank in conformity with the requirements and intent of the construction permit application received by the Office of Air Quality on November 10, 2000 and as permitted pursuant to Construction Permit No. CP 103-12946-00001.
5. Additional (?Operations/facilities) were constructed/substituted as described in the attachment to this document and were not made in accordance with the construction permit. (Delete this statement if it does not apply.)

Further Affiant said not.

I affirm under penalties of perjury that the representations contained in this affidavit are true, to the best of my information and belief.

Signature

Date

STATE OF INDIANA)
)SS

COUNTY OF _____)

Subscribed and sworn to me, a notary public in and for _____ County and State of
Indiana on this _____ day of _____, 20 _____.
My Commission expires: _____

Signature

Name (typed or printed)

Section 10: Affidavit.wpd 7/00

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Part 70 Significant Source Modification.

Source Background and Description

Source Name:	Peru Utilities
Source Location:	335 East Canal Street, Peru, Indiana 46970
County:	Miami
SIC Code:	4911
Operation Permit No.:	under review
Operation Permit Issuance Date:	under review
Significant Source Modification No.:	103-12946-00001
Permit Reviewer:	ERG/EG

The Office of Air Quality (OAQ) has reviewed a modification application from Peru Utilities relating to the construction and operation of the following emission units and pollution control devices:

- (a) One (1) 1.99-MW diesel generator to be added to their existing facility for standby service and peak shaving for the water treatment plant and service complex.
- (b) One (1) electrical No. 2 distillate fuel oil storage tank with a capacity of approximately 10,000 gallons.

The diesel generator is not considered an emergency generator and therefore the PTE will be calculated using 8,760 hour per year.

History

On November 10, 2000, Peru Utilities submitted an application to the OAQ requesting to add a diesel generator and a diesel storage tank to their existing plant. Peru Utilities submitted a Part 70 permit application to OAQ for review.

Source Definition

This water treatment and power company consists of four (4) plants; water treatment, power plant, service complex and proposed diesel generator:

- (a) All plants are located at 335 East Canal Street, Peru, Indiana 46970

Since the four (4) plants are located in contiguous properties, are owned by one (1) company, and the proposed generator will provide 100% of the power output to the water treatment plant and service complex, they will be considered one (1) source.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 Significant Source Modification be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on November 10, 2000. Additional information was received on January 12, 2001.

Emission Calculations

See Appendix A of this document for detailed emission calculations.

Potential To Emit of Modification

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U.S. EPA.”

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	10.6
PM-10	4.3
SO ₂	37.9
VOC	7.6
CO	219
NO _x	178.1

HAP's	Potential To Emit (tons/year)
All HAPs	0.7

Justification for Modification

The Part 70 Operating permit is being modified through a Part 70 Significant Source Modification. This modification is being performed pursuant to 326 IAC 2-7-10(f)(4)(C) as PTE NO_x emissions are greater than twenty-five (25) tons a year. This modification provides the approval to construct and operate the diesel generator and diesel storage tank.

County Attainment Status

The source is located in Miami County.

Pollutant	Status
PM-10	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) and oxides of nitrogen (NO_x) are precursors for the formation of ozone. Therefore, VOC and NO_x emissions are considered when evaluating the rule applicability relating to the ozone standards. Miami County has been designated as attainment or unclassifiable for ozone. Therefore, VOC and NO_x emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.
- (b) Miami County has been classified as attainment or unclassifiable for PM-10, sulfur dioxide (SO₂), NO₂, PM-10, CO, lead, and ozone. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.

Source Status

Existing Source PSD Definition (emissions after controls, based upon 8760 hours of operation per year at rated capacity and/or as otherwise limited):

Pollutant	Emissions (tons/yr)
PM	greater than 250
PM-10	greater than 250
SO ₂	greater than 250
VOC	greater than 250
CO	greater than 250
NO _x	greater than 250

- (a) This existing source is a major stationary source because an attainment regulated pollutant is emitted at a rate of 250 tons per year or more, and it is one of the 28 listed source categories.
- (b) These emissions are based upon the draft Part 70 permit received by IDEM December 6, 1996.

Potential to Emit of Modification After Issuance

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 source modification.

	Potential to Emit (tons/year)						
Process/facility	PM	PM-10	SO ₂	VOC	CO	NO _x	HAPs*
New Equipment							
Diesel Generator	2.3	0.9	8.2	1.6	47.5	38.6	0.07
Storage Tank	--	--	--	--	--	--	0.004
Total	2.3	0.9	8.2	1.6	47.5	38.6	0.074
Significant Levels	25	15	40	40	100	40	--

This modification to an existing major stationary source is not major because the emission increase is less than the PSD significant levels. Therefore, pursuant to 326 IAC 2-2, and 40 CFR 52.21, the PSD requirements do not apply.

Federal Rule Applicability

40 CFR 60 Subpart Kb Storage Vessels

40 CFR 60 Subpart Kb does not apply because the capacity of the storage tank is less than 20,000 gallons.

- (a) There are no other New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this proposed modification.
- (b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14 and 40 CFR Part 63) applicable to this proposed modification.

State Rule Applicability - Individual Facilities

326 IAC 2-2 (Prevention of Significant Deterioration)

326 IAC 2-2 does not apply because the facility shall use less than 228,380 gallons of diesel per 12 consecutive month period which is equal to 38 tons of NO_x per year, which does not exceed the 40 tons per year significant net emissions increase level under 326 IAC 2-2.

326 IAC 8-1-6 (New Facilities)

326 IAC 8-1-6 (New Facilities) does not apply to the diesel generator as it does not have the potential to emit more than 25 tons per year of VOC.

326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants)

This rule is not applicable to the diesel generator and storage tank because the source does not emit greater than 10 tons per year of one HAP or 25 tons per year of multiple HAPs.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

Conclusion

The construction and operation of this proposed modification shall be subject to the conditions of the attached proposed Part 70 Significant Source Modification No. 103-12946-00001.

Appendix A: Emission Calculations
Internal Combustion Engines - Diesel Fuel
Turbine (>600 HP)
Calculation of PSD Minor Limit

Page 1 of 3 TSD App A

Company Name: Peru Utilities
Address City IN Zip: Peru, IN 46970
SSM#: 103-12946-00001
Plt ID: 12946
Reviewer: ERG/EG
Date: 03/08/2001

Methodology For Determining Emission Limit and Fuel Limitation

Bold indicates data has been provided by the manufacturer.

NOx emission rate	6.9gm NOx hp - hr	2670 hp	lb 453.6 gm	=	40.6 lb NOx/hr
Allowable hrs to be < PSD limits	40 ton NOx yr	2000 lb ton	hr 40.6 lb NOx	=	1970.4 hr/yr
Annual NOx emissions	1900 hr yr	40.6 lb NOx hr	ton 2000 lb	=	38.6 ton NOx/yr
Annual fuel limit to be <PSD limits	1900 hr yr	120.2 gal fuel hr		=	228380 gal fuel/yr
NOx emission rate	6.9 gm NOx hp - hr	2670 hp	lb 453.6 gm	hr 17.3 MMBtu	= 2.35 lb NOx/MMBtu
CO emission rate	8.5 gm CO hp - hr	2670 hp	lb 453.6 gm	hr 17.3 MMBtu	= 2.89 lb CO/MMBtu
PM emission rate	0.4 gm PM hr - hr	2670 hp	lb 453.6 gm	hr 17.3 MMBtu	= 0.14 lb PM/MMBtu
PM-10 AP-42 emission factor	0.0573 lb PM-10/MMBtu				
VOC AP-42 emission factor	0.1 lb VOC/MMBtu				
SO2 AP-42 emission factor	0.51 lb SO2/MMBtu				

PTE Before Fuel Limitation

NOx	2.35 lb NOx MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	178.1 tons/yr
CO	2.89 lb CO MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	219.0 tons/yr
PM	0.14 lb PM MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	10.6 tons/yr
PM-10	0.0573 lb PM-10 MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	4.3 tons/yr
VOC	0.1 lb VOC MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	7.6 tons/yr
SO2	0.5 lb SO2 MMBtu	17.3 MMBtu hr	8760 hr yr	ton 2000 lb	=	37.9 tons/yr

PTE After Fuel Limitation

NOx	2.35 lb NOx MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	38.6 tons/yr
CO	2.89 lb CO MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	47.5 tons/yr
PM	0.14 lb PM MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	2.3 tons/yr
PM-10	0.0573 lb PM-10 MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	0.9 tons/yr
VOC	0.1 lb VOC MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	1.6 tons/yr
SO2	0.5 lb SO2 MMBtu	17.3 MMBtu hr	1900 hr yr	ton 2000 lb	=	8.2 tons/yr

Appendix A: Emission Calculations
Internal Combustion Engines - Diesel Fuel
Turbine (>600 HP)

Company Name: Peru Utilities
Address City IN Zip: Peru, IN 46970
SSM#: 103-12946-00001
Pit ID: 12946
Reviewer: ERG/EG
Date: 02/14/2001

PTE CALCULATIONS

A. HAP Emissions calculated based on heat input capacity (MMBtu/hr)

Heat Input Capacity
MM Btu/hr

S= 0.005 = WEIGHT % SULFUR

17.30

Pollutant	Emission Factor (lb/MMBTU)	Emissions (tpy)
Benzene	7.76E-04	0.0588
Toluene	2.81E-04	0.0213
Xylenes	1.93E-04	0.0146
Propylene	2.79E-03	0.2114
Formaldehyde	7.89E-05	0.0060
Acetaldehyde	2.52E-05	0.0019
Acrolein	7.88E-06	0.0006
Naphthalene	1.3E-04	0.0099
Acenaphthylene	9.23E-06	0.0007
Acenaphthene	4.68E-06	0.0004
Fluorene	1.28E-05	0.0010
Phenanthrene	4.08E-05	0.0031
Anthracene	1.23E-06	0.0001
Fluoranthene	4.03E-06	0.0003
Pyrene	3.71E-06	0.0003
Benz(a)anthracene	6.22E-07	0.0000
Chrysene	1.53E-06	0.0001
Benzo(b)fluoranthene	1.11E-06	0.0001
Benzo(k)fluoranthene	2.18E-07	0.0000
Benzo(a)pyrene	2.57E-07	0.0000
Indeno(1,2,3-cd)pyrene	4.14E-07	0.0000
Dibenz(a,h)anthracene	3.46E-07	0.0000
Benzo(g,h,i)perylene	5.56E-07	0.0000
TOTAL		0.3306

Methodology

Emission Factors are from AP 42 (Supplement B 10/96) Table 3.4-1-3.4-4.

Emission (tons/yr) = [Heat Input Capacity (MMBTU/yr) x Emission Factor (lb/MMBTU) x 8760 hrs/yr] / (2,000 lb/ton)

updated 2/01

Company Name: Peru Utilities
Address City IN Zip: Peru, IN 46970

SSM#: 103-12946-1
 Plt ID: 12946
 Reviewer: ERG/EG
 Date: 01/22/2001

LIMITED PTE CALCULATIONS

Heat Input Capacity
 MM Btu/hr

S= 0.005 = WEIGHT % SULFUR

3.80 *

Methodology For Determining Limited Heat Input

Emission Limits: 39 tons NOx
 Number of Units: 1

Calculate the limit on fuel usage necessary to ensure that NOx emissions are under 40 tons.

Emissions (tpy) = Heat Input (MMBtu/hr)*Emission Factor (lb/MMBtu)*8760 hrs/yr / 2000 lb/ton

Emissions (tpy) = Fuel Usage (gal/hr)*Fuel Heating Value (Btu/gal)*1E-6 MMBtu/Btu*Emission Factor (lb/MMBtu)*8760 hrs/yr / 2000 lb/ton

Fuel Usage (gal/hr) = Emissions (tpy)*2000 lb/ton / (Fuel Heating Value (Btu/gal)*1.0E-6 MMBtu/Btu*Emission Factor (lb/MMBtu)*8760 hrs/yr

Fuel Usage (gal/hr) = 39 tpy * 2000 / (145728 * 1.0E-6 * 2.35 * 8760
 Fuel Usage (gal/hr) = 26.07
 Fuel Usage (gal/yr) = 228380.01

Total Limited Fuel Usage (Mgal/yr)= 0.23
 Total Limited Heat Input (MMBtu/hr)= 3.80

A. HAP Emissions calculated based on limited heat input capacity (MMBtu/hr)

Pollutant	Emission Factor (lb/MMBTU)	Emissions (tpy)
Benzene	7.76E-04	0.0129
Toluene	2.81E-04	0.0047
Xylenes	1.93E-04	0.0032
Propylene	2.79E-03	0.0464
Formaldehyde	7.89E-05	0.0013
Acetaldehyde	2.52E-05	0.0004
Acrolein	7.88E-06	0.0001
Naphthalene	1.3E-04	0.0022
Acenaphthylene	9.23E-06	0.0002
Acenaphthene	4.68E-06	0.0001
Fluorene	1.28E-05	0.0002
Phenanthrene	4.08E-05	0.0007
Anthracene	1.23E-06	0.0000
Fluoranthene	4.03E-06	0.0001
Pyrene	3.71E-06	0.0001
Benz(a)anthracene	6.22E-07	0.0000
Chrysene	1.53E-06	0.0000
Benzo(b)fluoranthene	1.11E-06	0.0000
Benzo(k)fluoranthene	2.18E-07	0.0000
Benzo(a)pyrene	2.57E-07	0.0000
Indeno(1,2,3-cd)pyrene	4.14E-07	0.0000
Dibenz(a,h)anthracene	3.46E-07	0.0000
Benzo(g,h,i)perylene	5.56E-07	0.0000
TOTAL		0.0726

Methodology

Emission Factors are from AP 42 (Supplement B 10/96)Table 3.4-1-3.4-4.

Emission (tons/yr) = [Heat Input Capacity (MMBTU/yr) x Emission Factor (lb/MMBTU) x 8760 hrs/yr]/ (2,000 lb/ton)

updated 1/01